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NCUA News Release OFFICE OF THE CHAIRMAN



NCUA CHAIRMAN JOHNSON ANNOUNCES 2005 TECHNICAL ASSISTANCE GRANT PROGRAM FOR LOW-INCOME DESIGNATED CREDIT UNIONS

Alexandria, VA (*March 9, 2005*) – National Credit Union Administration (NCUA) Chairman JoAnn Johnson today announced the 2005 Community Development Revolving Loan (CDRLF) Fund Technical Assistance Grant Program.

“In 2005, nearly 1000 low-income designated credit unions have a tremendous opportunity to receive grant funding, to improve efficiency of credit union operations, enhance staff training, as well as provide a myriad of outreach initiatives for their membership,” said Chairman Johnson.

The agency has developed five specific grant initiatives for 2005:

- Urgent Needs Grants – Focuses continued growth and viability of a credit union with an immediate and pressing need for improving its financial condition or operations;
- Student Internship Initiative – Purpose of this initiative is to provide low-income credit unions an opportunity to introduce college students to credit union operations, in order to potentially recruit and develop the next generation of credit union managers;
- Volunteer Income Tax Assistance (VITA) Initiative – Provides financial assistance to credit unions wishing to help existing and potential members prepare their tax returns, especially those eligible for the Earned Income Tax Credit;
- Building Internal Capacity (Infrastructure) Initiative – Designed to provide funds for projects that improve the overall operations or financial condition of the credit union, and ultimately enable the credit union to better deliver services to its members; and
- Enhancing Member Service (Outreach) Initiative – Designed to provide funds for projects that provide new or improved services to existing members and those projects which will extend services to potential members and the community. Grants awarded under this initiative might include, but are not limited to, financial education programs, initiatives to increase homeownership, Individual Development Accounts, and International Remittance Network initiatives.

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The table below summarizes the available grants and the respective application periods for 2005.

<i>Grant Initiative</i>	<i>Application Acceptance Period</i>	<i>Total Grant Funds</i>	<i>Maximum Grant Amount</i>	<i>Grant Request Procedure</i>
<i>Urgent Needs Grant</i>	Open year-round	N/A	\$5,000	Rolling. Applications evaluated as received.
<i>Student Internship Initiative</i>	Opens March 15, 2005. Closes when funds are exhausted.	\$85,000	\$2,500	Rolling. Applications evaluated as received.
<i>Volunteer Income Tax Assistance Initiative</i>	Opens June 1, 2005. Closes when funds are exhausted.	\$60,000	\$6,000	Rolling. Applications evaluated as received.
<i>Building Internal Capacity (Infrastructure) Initiative</i>	Opens March 15, 2005. Closes June 15, 2005	\$260,000	\$10,000	All grants evaluated at end of open period. Grant applications which best meet evaluation criteria will be awarded.
<i>Enhancing Member Services (Outreach) Initiative</i>	Opens June 1, 2005. Closes August 31, 2005	\$370,000	\$5,000	All grants evaluated at end of open period. Grant applications which best meet evaluation criteria will be awarded.

Congress appropriated \$1 million to the CDRLF. \$800,000 is designated for technical assistance grants (TAGs) and \$200,000 is allocated for loans from the CDRLF.

“Congress recognizes the vital role of America’s credit unions in serving Americans from all walks of life with access to convenient and affordable financial services,” said Chairman Johnson. “These funds are available to significantly enhance the viability of low-income designated credit unions in serving more underserved neighborhoods that are left behind to predatory lenders and other unscrupulous financial outlets.”

“All low-income designated credit unions should consider the advantages of the CDRLF program,” the chairman continued, “if your credit union is not currently low-income designated, we encourage you to review the criteria to explore if the designation may be utilized for your credit union. The CDRLF program is designed to enhance a low-income institution’s financial capacity, extend greater financial services to its members and strengthen the health and stability of the credit union.”

Chairman Johnson said that low-income designated credit unions can apply for the TAG grants through NCUA’s Office of Small Credit Union Initiatives (OSCUI). Also, you may contact your regional office or OSCUI for additional information about qualifying for a low-income designation and participate in these special programs.

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For additional information regarding the TAG grants, you may visit the NCUA website at:
<http://www.ncua.gov/CreditUnionDevelopment/Index.htm>

The National Credit Union Administration, governed by a three-member board appointed by the President and confirmed by the Senate, is the independent federal agency that regulates, charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the savings of more than 83 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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